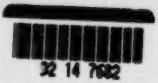

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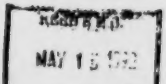
FORM 10-Q



SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

92-22608

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

PROCESSED BY
MAY 18 1992
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Commission file number: 33-183338-LA

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

AAON, INC.
(Exact name of registrant as specified in its ch

Nevada	87-0448736
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

2425 South Yukon, Tulsa, Oklahoma 74107
(Address of principal executive offices)
(Zip Code)

(918) 583-2266
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes _____ No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date. 22,150,318 shares of $.001 par value Common Stock.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

On pages 2 through 8 of this report.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Material Changes in Financial Condition. The $1,308,000 increase in accounts receivable is a reflection of the higher volume of sales in the first quarter of 1992 (attributed to the added sales of CP/AAON, Inc., which acquired the assets of Coils Plus, Inc., in December, 1991), as compared to the same quarter in 1991. Current liabilities increased during the three-month period ended March 31, 1992, from $6,874,000 to $7,543,000 due to a $1,740,000 increase in borrowings under the Company's revolving credit facility, offset by reductions of accounts payable ($741,000) and accrued liabilities ($330,000).

Material Changes in Results of Operations. Sales increased by $1,307,000 during the three-month period ended March 31, 1992, compared to the first quarter of 1991. Gross profit increased to 12.7% during the first quarter of 1992, compared to 11.4% in 1991, reflecting primarily a reduction in manufacturing expenses. Selling, general and administrative expenses increased by $133,000 during the first quarter of 1992, due to the addition of CP/AAON. Interest expense reduced slightly ($36,000) even with the addition of CP/AAON.

Liquidity and Capital Resources. The capital needs of the Company are met primarily by its bank revolving credit facility. Management believes this bank debt (or comparable financing) and projected profits from operations will provide the necessary liquidity and capital resources to the Company for at least the next five years. The Company's belief that it will have the necessary liquidity and capital resources is based upon its knowledge of the HVAC industry and its place in that industry, its ability to limit the growth of its business if necessary and its relationships with its existing bank lender.

The Company's revolving credit agreement (which currently extends to May 31, 1992) provides for maximum borrowings of $5 million. Interest on this loan is payable monthly at the Chase Manhattan Bank prime rate plus 1-1/2%. Availability of funds under the agreement is based on 80% of eligible accounts receivable plus 50% of inventory.

The Company also has had the benefit of $1,950,000 of subordinated loans from stockholders (due September 30, 1993) and a $3,000,000 (reduced to $2,600,000 as of March 31, 1992) bank term loan on its manufacturing facility and equipment [repayable at the rate of $25,000 of principal (plus interest) per month through October 31, 1993, and a "balloon" of the balance on November 30, 1993].

Trends. While the Company's sales were higher in the first quarter of 1992 due to the addition of CP/AAON, the sales of both AAON, Inc., and CP/AAON were lower than a year ago reflecting the national downturn in new construction. The Company anticipates an improvement in overall financial results during the balance of 1992.

AAON, Inc.
Consolidated Balance Sheets

	MARCH 31, 1992 *	DECEMBER 31, 1991
	(In Thousands)	
ASSETS		
CURRENT ASSETS:		
Cash	$ <226>	$ 296
Accounts receivable	4,370	3,062
Inventories	3,995	3,954
Prepaid expenses	54	44
Deferred income tax	120	220
Total current assets	8,313	7,576
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Land	185	185
Buildings	2,596	2,551
Machinery and equipment	3,290	3,285
Furniture and fixtures	200	180
	6,271	6,201
Less-accumulated depreciation	814	699
Net property, plant and equipment	5,457	5,502
OTHER ASSETS	1,283	1,231
	$ 15,053	$ 14,309
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 2,268	$ 3,009
Accrued liabilities	1,000	1,330
Current maturities of long-term debt	463	463
Revolving credit agreement	3,812	2,072
Total current liabilities	7,543	6,874
LONG-TERM DEBT	3,427	3,393
LONG-TERM DEBT- RELATED PARTIES	1,950	1,950
STOCKHOLDERS' EQUITY:		
Common stock, $.001 par, 50,000,000 shares authorized, 22,150,318 issued and outstanding	22	22
Additional paid-in capital	984	984
Retained earnings	1,127	1,086
Total stockholders' equity	2,133	2,092
	$ 15,053	$ 14,309

* Unaudited

AAON, Inc.

Consolidated Statements of Operations

	Three Months Ended MARCH 31, 1992 *	(In Thousands)	Three Months Ended MARCH 31, 1991 *
Sales, net	$ 6,978		$ 5,671
Cost of sales	6,091		5,027
Gross profit	887		644
Selling, general and administrative expenses	642		509
Income from operations	245		135
Interest expense	197		233
Amortization and other expense	<72>		17
Net income before profit sharing	120		<115>
Profit sharing	51		- 0 -
Income before income taxes	69		<115>
Income tax provision	28		- 0 -
Net income	$ 41		$ <115>
Net income per share	$ .001		$ <.01>

* Unaudited

AAON, Inc.

Consolidated Statements of Stockholders' Equity

	COMMON STOCK		PAID IN CAPITAL	ACCUMULATED EARNINGS	TOTAL
	SHARES	AMOUNT			
BALANCE, DECEMBER 31,1991	22,150,318	$ 22,000	$ 984,000	$1,086,000	$ 2,092,000
NET INCOME	- 0 -	- 0 -	- 0 -	$ 41,000	$ 41,000
BALANCE, MARCH 31, 1992	22,150,318	$ 22,000	$ 984,000	$1,127,000	$ 2,133,000

AAON, Inc.

Consolidated Statements of Cash Flow

	Three Months Ended MARCH 31, 1992 *	Three Months Ended MARCH 31, 1991 *
	(In Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 41	$ <115>
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation and amortization	115	72
Change in assets and liabilities,		
<Increase> decrease in accounts receivable	<1,308>	1,322
<Increase> decrease in inventories	<41>	162
<Increase> decrease in prepaid expenses	90	4
Increase <decrease> in accounts payable	<741>	<473>
Increase <decrease> in accrued liabilities	<330>	<110>
Total adjustments	<2,213>	977
Net cash provided by operating activities	<2,174>	862
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	70	<17>
Payments for other assets	52	1
Net cash used in investing activities	122	<16>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowing under revolving credit agreement	4,725	3,025
Payments under revolving credit agreement	<2,985>	<4,267>
Payments on long-term debt	34	<100>
Proceeds from paid in capital	- 0 -	- 0 -
Net cash provided by financing activities	1,774	<1,342>
NET CHANGE IN CASH	<522>	<496>
CASH, beginning of period	296	357
CASH, end of period	$ <226>	$ <139>

* Unaudited

AAON, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1992

1. BASIS OF PRESENTATION:

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures made in these financial statements are adequate to make the information presented not misleading when read in conjunction with the financial statements and the notes thereto included in the Company's latest audited financial statements which were included in the Form 10-K Report for the fiscal year ended December 31, 1991, filed by AAON, Inc. with the SEC. Management believes that no adjustments to the financial statements are necessary.

2. INVENTORIES:

Inventories at March 31, 1992, and December 31, 1991, consist of the following:

	March 31, 1992	December 31, 1991
Raw Materials	$3,321,000	$2,919,000
Work in Process	133,000	613,000
Finished Goods	541,000	422,000
	$3,995,000	$3,954,000

3. REVOLVING CREDIT AGREEMENT:

The Company has a revolving credit agreement with a bank which was renegotiated in April 1991. It provides for maximum borrowing of $5,000,000. Interest on the agreement is payable monthly at the Chase Manhattan Bank prime rate plus one and one-half percent. A commitment fee of one-half percent per annum is payable on the average daily unborrowed amount. Outstanding borrowings were $3,812,000 at March 31, 1992. Availability of funds under the agreement is based on 80 percent of eligible accounts receivable plus 50 percent of inventory. The agreement is collateralized by present and future accounts receivable, contracts, intangibles and inventory. In addition, the stock of the Company's wholly owned subsidiary, AAON, Inc. (Okla.), has been pledged as collateral on the agreement. The revolving credit agreement expires on May 31, 1992. The agreement along with the term loan agreement described in Note 4 requires, among other things, that the Company maintain

a minimum net worth, maintain a minimum tangible net worth plus subordinated debt, maintain minimum working capital and maintain a minimum debt to tangible net worth ratio.

4. LONG-TERM DEBT:

Long-term debt at March 31, 1992, consists of the following:

	March 31, 1992	December 31, 1991
Bank term loan agreement, payable in monthly principal payments of $25,000 beginning in December 1990 through November 1993, plus interest payable monthly at Chase Manhattan Bank prime plus 1¼%, collateralized by machinery, equipment and real estate.	$2,600,000	$2,675,000
10% subordinated indentures to stockholders, principal payable in September 1993, interest payable quarterly.	1,950,000	1,950,000
Other	1,330,000	1,181,000
	$5,880,000	$5,806,000
Less Current Maturities	503,000	463,000
	$5,377,000	$5,343,000

5. EARNINGS PER SHARE:

Earnings per share have been calculated by dividing net income by the number of AAON shares outstanding (22,150,318 shares).

6. FOOTNOTES INCORPORATED BY REFERENCE:

Certain footnotes are applicable to the financial statements, but would be substantially unchanged from those presented in the December 31, 1991, 10-K filed with the SEC. Accordingly, reference should be made to such report for the following:

Note	Description
1	Operations and Organization
2	Accounting Policies
5	Commitments and Contingencies
6	Income Taxes
7	Major Customers
9	Warrants Registered and Exercised

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits - None.

(b) Reports on Form 8-K. Registrant filed two reports on Form 8-K during the period from January 1, 1992, to March 31, 1992. The first such report was dated January 15, 1992, and disclosed under Item 5, Other Events, Registrant's unaudited balance sheet dated November 30, 1991, for the purpose of substantiating compliance with the "Capital & Surplus" NASDAQ qualification standard. The second such report was dated February 24, 1992, and disclosed under Item 5, Other Events, an amendment of Registrant's Revolving Credit and Term Loan Agreement, which increased the commitment amount thereunder from $4.5 million to $5 million.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AAON, INC.

Dated: May 14, 1992

By: _____
John B. Johnson, Jr.
Secretary

Dated: May 14, 1992

By: _____
William A. Bowen
Vice President - Finance